Labour Market Notes

Employment increases for a third month

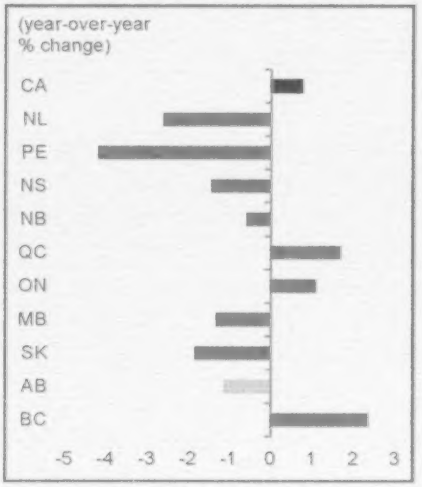
Alberta

- Third monthly increase in employment. Employment increased by 9,000 in October 2016, the third month of employment gains in a row.
- Gains in the private sector and part-time. The private sector (+17,900) and public sector (+8,200) both contributed to higher employment in October. Conversely, self-employment declined by 17,100 reversing September's gain of 16,700. The majority of the gains were seen in part-time (+8,100) with a modest gain in full-time positions (+900).
- Recent gains in the goods sector. After declining ealier this year, the majority of the increase in the last three months has been in the goods-producing sector (+20,500), with Forestry, Fishing, Mining, Oil and Gas leading the way (+18,400). Within the service-producing sector, Trade also posted strong gains since July (+9,000). Despite recent monthly increases, year-to-date (YTD) employment in the goods sector employment remained down 9.7%, while service sector employment was up 1.5%.
- Unemployment rate unchanged. Alberta's unemployment rate was unchanged at 8.5 per cent in October. Remaining exactly one-and-half percentage points above the national average.
- Employment still weaker than the last year. Employment was down 1.1% year-over-year (y/y) in October, equivalent to 26,200 fewer jobs than a year ago. Year-to-date, employment has declined 1.7%.
- Earnings tick down. Average Weekly Earnings (AWE) declined a modest 0.2% from the previous month to $1,123 in August. However, compared with last year earnings remained down 0.5%. Service sector earnings waned for the eighth straight month, declining 1.2% y/y. In contrast, goods sector earnings improved slightly, up 3.4% y/y.

Canada

- Ontario led employment growth. Canadian employment was up 43,900 in October. Ontario led the provinces in job growth (25,400), followed by British Columbia (+14,900) and Alberta (+9,000). Conversely, Newfoundland, Saskatchewan and New Brunswick experienced job losses. Year-over-year, Canadian employment rose by 139,600 jobs, or 0.8%.
- No change in national unemployment rate. The Canadian unemployment was unchanged at 7.0% in October.
- Canadian earnings increase. Canadian average weekly earnings (AWE) totalled $960 in August, up 0.8% month-over-month. All province except Newfoundland and Alberta experienced monthly gains. Canadian earnings were up 1.6% year-over-year.

Employment Growth by Province, October 2016 vs. October 2015



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,273,200
month-over-month change	9,000
year-over-year % change	-1.1%
Alberta Unemployment Rate (UR)	8.5%
Edmonton UR**	6.9%
Calgary UR**	10.2%
Participation Rate	72.9%
Average Weekly Earnings (AWE)	$1,123.46
year-over-year % change	-0.5%
Average Hourly Wage	$29.49
year-over-year % change	+0.2%
Job Vacancy Rate***	1.3%

Source: Statistics Canada

* All data is from the October 2016 Labour Force Survey, except AWE which is the August 2016 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for July 2016.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

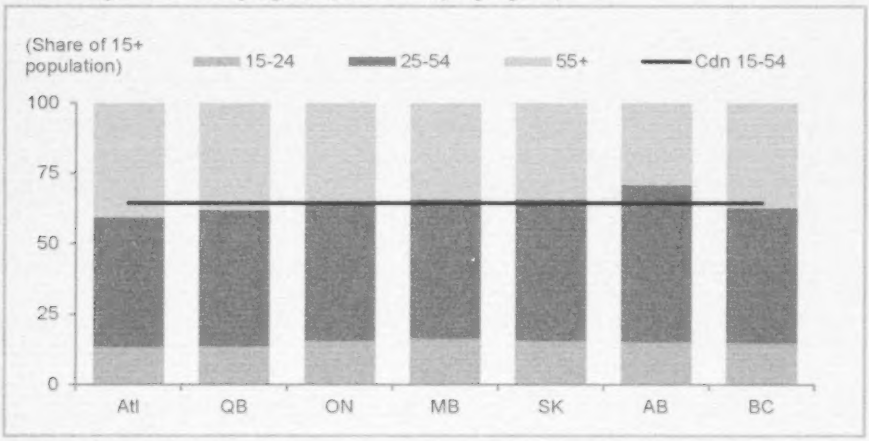
Highest employment rate in Alberta despite recession

Even with the economic downturn, Alberta continues to have the highest employment rate among provinces. This Labour Insight examines why Alberta's employment rate remains the highest in the country.

Alberta's employment rate highest in Canada

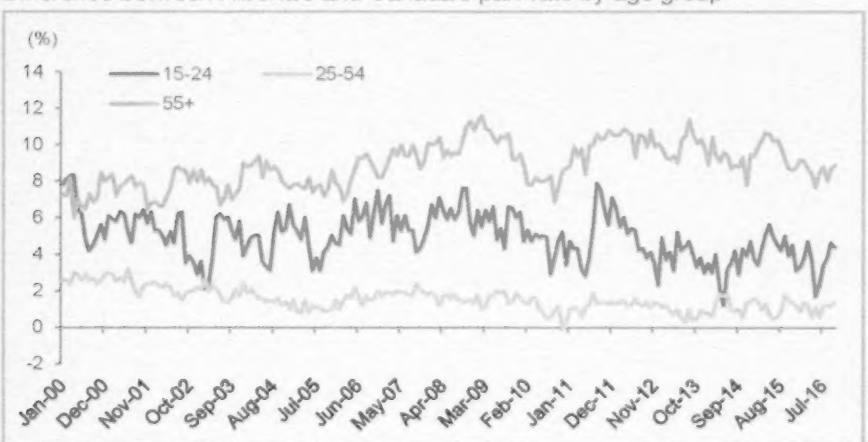
Alberta's employment rate remains the highest among provinces despite declining in the current recession. At 67.0% it is 5.5 percentage points above the Canadian rate. Historically, Alberta's strong economy supported average earnings well above the national average and incented greater work force attachment. In addition, Alberta has the lowest median age amongst the provinces. These fundamentals have allowed Alberta to maintain a relatively strong rate of employment.

Chart 1: Alberta's young working age population
Percentage of working age population by age group



Source: Statistics Canada

Chart 2: Albertans participate more in the workforce
Difference between Alberta's and Canada's part-rate by age group



Source: Statistics Canada

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Younger demographics an advantage

Alberta's high employment rate can be partly attributed to its large share of people in the prime working ages of 25 to 54. This age group accounts for 55% of Alberta's total working age population (15 plus), the largest share of any province and far above the Canadian rate of 49% (Chart 1).

Alberta's working age population has been boosted by strong migration. Over the last ten years, young and prime aged migrants have accounted for 98% of net interprovincial and 76% of net international migration. These individuals are much more likely to have a greater attachment to the workforce than other age groups, which supports Alberta's higher employment rate. Although Alberta has seen a net interprovincial outflow between July 2015 and June 2016, only a small number were in the prime working ages of 25-54.

Older and younger participate more

Even though the share of older workers (aged 55 plus) and younger workers (aged 15-24) is smaller in Alberta, their participation rates are far above the Canadian rates (Chart 2). This also contributes to Alberta's higher employment rate. Alberta's strong economy and higher earnings has encouraged both young workers to enter the labour force and old workers to join the labour market and work longer. Reflecting a national trend, Alberta's part-rate among older workers has increased since 2000.

Contact

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